

FOREWORD

Valentina Paduano, Chairwoman of the Sustainability Committee



"In our view sustainability should now be front and centre of everyone's mind."

FERMA presents this guide on sustainability in the midst of the global COVID-19 pandemic. [Less than a third](#) of risk managers had a global pandemic as part of their risk register in September of 2019. Yet, in 2020, that risk became reality. The financial and societal impacts have been far-reaching already and will be felt for years to come.

Among the many consequences of this pandemic, FERMA has observed a renewed focus on 1) the risk environment; and 2) how to make businesses more resilient. We, risk managers, are being looked to – perhaps more than ever – for our insights on what will come next and how to better manage the associated risks, with a view to making our companies more resilient.

Risk managers provide their organisations with an enterprise-wide view of both the potential impacts and the opportunities related to the various risks that can materialise. One of the tools of the risk manager, Enterprise Risk Management (ERM), facilitates this process. ERM provides a robust framework to identify, assess and mitigate risks. Inherent in the risk manager's role is also the ability to prioritise risks that should be at the forefront for the Board.

More is happening on sustainability every day. This is set against a policy background of the European Green Deal, in which the EU makes a legal commitment to climate-neutrality by 2050. There are other initiatives in many parts of the world.

Part of our role as risk managers is to translate these initiatives into their implications for our organisations. Some risk managers have been doing this for years, but organisations vary in their maturity on the topic.

Our [European Risk Manager Report 2020](#) revealed that 60% of risk managers were not yet involved in ESG-related risks in their organisation. To help fill this gap, as well as to take stock of where we are now, FERMA's Sustainability Committee has created this guide with two goals: 1) as a practical guide for risk managers who wish to embed more sustainability considerations into their processes and into their organisations. 2) as examples of good practices from work that risk managers have already carried out on sustainability.

Our guide can, therefore, be both a starting point and material for reflection for risk managers. It cannot provide guidelines on every aspect of the increasingly vast range of topics that broadly belong to the term sustainability.

Finally, a warm thank you and congratulations to the FERMA Sustainability Committee for its hard work in producing this guide. We also thank the risk managers who generously contributed their knowledge and experience.